Side Letter Agreement
Between the
City of Monterey
And the
Monterey Fire Chief Officers' Association

The City of Monterey ("City") and the Monterey Fire Chief Officers' Association ("MFCOA" or "Association") collectively ("the Parties"), after meeting and conferring in good faith, and following the ratification by the Union and approval by the City Council in open session on June 20, 2017, hereby execute this Side Letter Agreement to amend Section 6.1, 10.5, 12.1, 24 of the Parties current Memorandum of Understanding (July 1, 2016 through June 30, 2018) as follows:

Section 6. Salary

6.1 **General Salary Increases**

During the term of this agreement, the following salary increases will be made to the classifications represented by the Association and in accordance with procedures established by the Finance Director.

6.1.1 Effective July 1, 2016, the pay rates for employees in this representation unit shall be increased by Three Percent (3.0%) Four Percent (4.0%).

6.1.2 Effective January 1, 2017, the pay rate for the Assistant Fire Chief classification shall be increased by Seven Percent (7.0%) and shall cease receiving Five Percent (5%) Special Assignment Pay.

6.1.3 Effective July 1, 2017, the pay rates for employees in this representation unit shall be increased by Two Percent (2.0%) Three Percent (3.0%).

6.1.4 Effective July 1, 2018, the pay rates for employees in this representation unit shall be increased by Four Percent (4.0%).

6.1.5 In the event that the City reaches an agreement with MFFA during the term of this MOU with MFCOA, and such agreement with MFFA includes an aggregate general wage increase on a bargaining unit wide basis greater than those negotiated herein, the City will provide an equivalent wage increase on a bargaining unit wide basis to MFCOA represented employees. This provision will not apply to any changes made to any classification(s) due to a market survey or classification study, any leave payout or any settlement of a grievance or other administrative proceeding.

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contribution to the flexible benefits plan on behalf of each active employee in an amount which, together with the 2017 minimum PEMHCA contribution in 7.4.2 equals the rates for the Employee Plus One and Employee Plus Two tiers that would reflect a PERS Choice 2017 Calendar Year increase up to 9.0%. These two tiers will be increased by the necessary amount to keep employees in these tiers at the same out-of-pocket contribution levels, so long as the PERS Choice calendar year increase does not exceed 9.0%.

Employees who opt out of a City Medical Plan, and provide proof of alternate group medical insurance will be entitled to $600.00 per month. To qualify, an employee must provide proof of alternate group coverage to Human Resources. Alternate coverage must be acceptable by the City.

For the plan year beginning January 1, 2018, the City shall make a nonelective employer contribution to the flexible benefits plan on behalf of each active employee in an amount which, together with the 2018 minimum PEMHCA contribution in 7.4.2 equals the rates for the Employee Plus One and Employee Plus Two tiers that would reflect a PERS Choice 2018 Calendar Year increase up to 9.0%. These two tiers will be increased by the necessary amount to keep employees in these tiers at the same out-of-pocket contribution levels, so long as the PERS Choice calendar year increase does not exceed 9.0%.

Employees who opt out of a City Medical Plan, and provide proof of alternate group medical insurance will be entitled to $600.00 per month. To qualify, an employee must provide proof of alternate group coverage to Human Resources. Alternate coverage must be acceptable by the City.

For the plan year beginning January 1, 2019, the City shall make a non-elective employer contribution to the flexible benefits plan on behalf of each active employee which, together with the 2019 minimum PEMHCA contribution equals the following:

(1) For Two-Person Coverage and Family Coverage: the applicable 2018 City flexible benefits contribution increased by (a) any increase in the PEMCHA minimum contribution for the plan year plus (b) the increase in premiums for the PERS Choice plan for the 2019 calendar year. In the event of a rate increase in the premiums for these tiers, the City shall increase these two tiers by the necessary amount to keep employees in these tiers at the same out-of-pocket contribution levels, up to a maximum increase of 9.0%. Employees shall be responsible for any increases above 9%.

(2) For Single Coverage: the 2018 Single premium contribution increased by any increase in the minimum PEMCHA contribution for the plan year.

In addition to the benefits purchased, the plan required each active participant to pay a $5.00 administrative fee.
12.1.2 For new employees, as defined by the Public Employees' Retirement System (PERS), hired on or after January 1, 2013, retirement benefits shall be those established by the Public Employees' Retirement System (PERS) for Local Safety Members 2.7% at age 57 Formula, highest three years.

12.1.3 "Classic" employees, as defined by the Public Employees' Retirement System (PERS), shall contribute a Four Percent (4.0%) additional member contribution over and above the Normal Contribution for "Classic" members towards the employers contribution, for a total member contribution of Thirteen Percent (13.0%).

12.1.4 Effective after a contract amendment with CalPERS subsequent to the raise effective July 1, 2017, "Classic" members shall pay an additional One Percent (1.0%) towards the employer retirement contribution for a total "Classic" member contribution of Fourteen Percent (14.0%) to be considered as employee's contribution.

Section 24. Term and Effect of Memorandum of Understanding

This Memorandum of Understanding shall remain in full force and effect commencing July 1, 2016 through June 30, 2019, and it is understood and agreed that the terms, conditions, wages, and all provisions of this Memorandum of Understanding shall continue in effect until a new Memorandum of Understanding is negotiated and subsequently ratified by the Association and the City Council, or until this Memorandum of Understanding is superseded in accordance with City Code Section 25-16.12(e).

The parties hereto have caused their duly authorized representatives to execute this Memorandum of Understanding the day, month and year noted below.

CITY OF MONTEREY
Dated: 10/03/2017

Michael McCarthy, City Manager
Dated: 9/8/17

Allyson Hauck, Human Resources Director

Monterey Fire Chief Officers' Association
Dated: 9/6/2017

Jim Courtney, MFCOA President

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